

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MORRIS  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2015

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MORRIS  
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2015  
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November 20, 2015

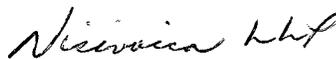
The Honorable President and Members  
of the Board of Education  
Township of Randolph School District  
County of Morris, NJ

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Township of Randolph School District in the County of Morris for the fiscal year ended June 30, 2015, and have issued our report thereon dated November 20, 2015.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents. This letter does not affect our report dated November 20, 2015, on the financial statements of the Board.

We will review the status of our suggestions, comments and recommendations during our next audit engagement. We have already discussed the suggestions, comments and recommendations with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the suggestions or recommendations.

This report is intended solely for the information and use of the Township of Randolph School District's Board of Education, management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

  
NISIVOCCIA LLP



Francis J. Jones, Jr.  
Licensed Public School Accountant #1154  
Certified Public Accountant

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2015

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Multi-peril insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the District's CAFR.

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Linda N. Gordon	Board Secretary	\$ 400,000
Gerald Eckert	Business Administrator	\$ 400,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were different than estimated costs. The Board made a proper adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C. 6A:23A-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account and Position Control Roster

The net salaries of employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account. Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund. All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/School Business Administrator and the Chief School Administrator. Payrolls were delivered to the treasurer of school moneys with a warrant made to his order for the full amount of each payroll. The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents and business administrator) to the New Jersey Department of Treasury was filed by the March 15<sup>th</sup> due date.

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. As a result of the procedures performed, a transaction error rate of 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. No exceptions were noted.

No Child Left Behind (N.C.L.B.)

The N.C.L.B. financial exhibits are contained herein within the Special Revenue Section of the District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, Title II and Title III of the No Child Left Behind Act.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the CAFR.

This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

T.P.A.F. Reimbursement

Our audit procedures included a test of the bi-weekly reimbursement forms filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2015. The reimbursement form was reviewed and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

a. "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Commencing in the fifth year after the year in which P.L.1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made . . . ."

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law . . . ." Effective July 1, 2010, the bid threshold in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$26,000 and with a qualified purchasing agent the threshold may be up to \$36,000. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$18,300.

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

Contracts and Agreements Requiring Advertisement for Bids (Cont'd)

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Attorney's opinion should be sought before a commitment is made. Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. General compliance was noted. The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4. Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5. The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

School Food Service

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test basis. Food Service accounting records maintained by the District's central administration office were reconciled with the records maintained by the food service contractor.

The number of meals claimed for reimbursement was verified against sales records and meal count records. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted and certified in a timely manner.

Applications for free and reduced meals and free milk were reviewed for completeness and accuracy. The number of free and reduced meals and milk claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced meal policy is uniformly administered throughout the school system. The required verification procedures for free applications were completed and available for review.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test basis. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the nonprofit status of the School Food Service Fund. Net cash resources did not exceed three months average expenditures.

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

School Food Service (Cont'd)

Cash receipts and bank records were reviewed for timely deposit. The District utilizes a food service management company (FMSC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. The FMSC contract includes an operating results provision which guarantees that the food service program will break even. The operating results provision has been met.

Time sheets and payroll records were reviewed on a test basis. Payroll records were maintained on all School Food Services employees authorized by the board of education. No exceptions were noted.

Food Distribution Program commodities were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The District has a Type 2 SOC1 report (Service Organization Controls Report) of the food service management company on file as required by state requirements.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled "Enterprise Funds", Section G of the CAFR.

Student Body Activities

In planning and performing our audit of the financial statements of the District, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

Finding:

Our review of the various student activities accounts revealed receipts were not always deposited within 48 hours at the Shongum and Ironia Elementary Schools and for Gate Receipts.

Recommendations:

It is recommended that receipts be consistently deposited within 48 hours.

Management's Response:

The Business Administrator will communicate all of the bookkeeping requirements to the schools and will make arrangements to provide assistance to them, if necessary, in their implementation.

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2014 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low income students and bilingual students. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers with a few minor exceptions. The information that was included on the workpapers was verified on a test basis without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed State forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2014-2015 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with a few minor exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreements for consistency with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction. No exceptions were noted.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedures pertaining to travel and expense reimbursements for its employee and board members. The regulations require the District to establish a maximum travel amount for the year and to ensure that the maximum is not exceeded. The regulations also require that all travel be preapproved by the Board of Education and the Superintendent and that the approval must be itemized by event, event total cost, and individuals attending.

Management Suggestions

Arbitrage Calculation

The District issued serial bonds on February 8, 2012 in the amount of \$11,667,000. The District should explore the need for an arbitrage calculation. This calculation will determine whether or not the District is subject to arbitrage payable to the federal government. If a liability does exist, it would be required to be raised by the District in the budget year the liability is payable.

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

Management Suggestions (Cont'd)

Single Audit

Effective for the fiscal year ended June 30, 2016, there will be significant changes to the Single Audit. These changes include the following:

- An increase in the single audit threshold
- Low risk auditee criteria
- Type A and B threshold
- Coverage requirements for major programs tested for both low risk and non-low risk auditees.

Additionally, the cost principles and administrative requirements such as A-87 have been consolidated under the *OMB Uniform Guidance: Cost Principles, Audit and Administrative Requirements for Federal Awards*. This guidance was effective December 26, 2014 for all new federal awards and for any additional funding for existing awards made after December 26, 2014.

Governmental Accounting Standards Board Statements:

The next Governmental Accounting Standards Board ("GASB") statement which will have a significant impact on the District will be GASB#75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, will be effective for the fiscal year ending June 30, 2018. This standard replaces GASB#45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. It is similar to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB#68 in that successful implementation of this standard will require the provision of certain key financial and non-financial information from the New Jersey Division of Pensions.

Deferred Compensation Plans

The District has a fiduciary responsibility to its employees related to the deferred compensation plans offered by the District. The District should consider a periodic review of the benefits, features, costs, and performance of its deferred compensation plans and make that information available to employees to assist employees in making suitable choices for investing their retirement funds while fulfilling the District's fiduciary responsibilities.

Independent Contractors vs. Employees

The District should consider reviewing the status of "Independent Contractors" utilized by the District with Internal Revenue Service guidelines for determination of employment status. The IRS has been reviewing employers, including governments, to determine compliance. A proactive approach may help to minimize or eliminate potential penalties related to incorrect employment status determination.

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

Management Suggestions (Cont'd)

Continuing Disclosure Requirements

In connection with the issuance of bonds by a school district, the District agrees to the continuing disclosure of certain information to the Electronic Municipal Market Access ("EMMA") website under the auspices of the Municipal Securities Rulemaking Board. The District should ensure that all continuing disclosure requirements with respect to the District's bond issuances are met. These requirements include filing of certain financial information such as audit reports, budgets and certain operating data.

Status of Prior Year's Findings/Recommendations

The prior year recommendations were resolved in the current year.

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2014

	2015-2016 Application for State School Aid						Sample for Verification					
	Reported on ASSA		Reported on Workpapers		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers on Roll	
	On Roll		On Roll									
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 3 Years Old	8		6		2		6		6			
Half Day Preschool 4 Years Old	19		19				19		19			
Full Day Kindergarten	236		236				236		236			
Half Day Kindergarten												
Grade One	287		287				287		287			
Grade Two	259		259				259		259			
Grade Three	278		278				278		278			
Grade Four	305		305				305		305			
Grade Five	329		329				329		329			
Grade Six	316		316				316		316			
Grade Seven	360		360				360		360			
Grade Eight	339		337		2		337		337			
Grade Nine	354		354				354		354			
Grade Ten	317		317				317		317			
Grade Eleven	357	3	357	2		1	357	2	357	2		
Grade Twelve	325	1	325	1			325	1	325	1		
Subtotal	4,089	4	4,085	3	4	1	4,085	3	4,085	3		
Special Education:												
Elementary School	271		272		-1		9		9			
Middle School	215		215				8		8			
High School	247	16	239	15	8	1	8		8			
Subtotal	733	16	726	15	7	1	25		25			
Totals	4,822	20	4,811	18	11	2	4,110	3	4,110	3	-0-	-0-
Percentage Error					0.23%	11.11%					0.00%	0.00%

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2014

	Private Schools for Handicapped			Resident Low Income						
	Reported on ASSA as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Kindergarten						1	1			
Grade One					24	25	1	2	2	
Grade Two					19	18	-1	2	2	
Grade Three					12	13	1	2	2	
Grade Four					25	25		2	2	
Grade Five					21	20	-1	2	2	
Grade Six					21	21		2	2	
Grade Seven					22	22		2	2	
Grade Eight					18	18		2	2	
Grade Nine					22	22		2	2	
Grade Ten					19	18	-1	2	2	
Grade Eleven					17	17		2	2	
Grade Twelve					13.0	13.0		2	2	
Subtotal					233.0	233.0		24	24	
Special Education:										
Elementary School	18	3	3		47	47		4	4	
Middle School	13	2	2		38	37	-1	4	4	
High School	22	3	3		35.5	35.5		3	3	
Subtotal	53	8	8		120.5	119.5	-1.0	11	11	
Totals	53	8	8	-0-	354	353	-1	35	35	-0-
Percentage Error				0.00%			-0.28%			0.00%

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2014

	Resident LEP Low Income					
	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application, Test Scores and Register	Sample Errors
Half Day Kindergarten						
Grade One	6	6		2	2	
Grade Two	4	4		1	1	
Grade Three	5	5		1	1	
Grade Four	5	5		1	1	
Grade Five	2	3	1			
Grade Six	4	4		1	1	
Grade Eight	3	3		1	1	
Grade Nine	5	5		1	1	
Grade Ten	2	2				
Grade Twelve	1	1				
Subtotal	<u>37</u>	<u>38</u>	<u>1</u>	<u>8</u>	<u>8</u>	
Special Education:						
Elementary School		2	2			
Middle School						
High School	1	2	1	1	1	
Subtotal	<u>1</u>	<u>4</u>	<u>3</u>	<u>1</u>	<u>1</u>	
Totals	<u><u>38</u></u>	<u><u>42</u></u>	<u><u>4</u></u>	<u><u>9</u></u>	<u><u>9</u></u>	<u><u>-0-</u></u>
Percentage Error			<u><u>10.53%</u></u>			<u><u>0.00%</u></u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2014

	Resident LEP NOT Low Income					
	Reported on ASSA as LEP NOT Low Income	Reported on Workpapers as LEP NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Half Day Kindergarten	11	11		2	2	
Grade One	8	8		2	2	
Grade Two	5	5		1	1	
Grade Three	2	4	2	1	1	
Grade Five						
Grade Six	3	3		1	1	
Grade Seven	2	2				
Grade Eight	5	5		1	1	
Grade Nine	1	1				
Grade Ten	2	2		1	1	
Grade Eleven	1	1				
Grade Twelve	1	1				
Subtotal	<u>44</u>	<u>46</u>	<u>2</u>	<u>10</u>	<u>10</u>	
Special Education:						
Elementary School	1	2	1			
Middle School						
High School	1	1		1	1	
Subtotal	<u>2</u>	<u>3</u>	<u>1</u>	<u>1</u>	<u>1</u>	
Totals	<u>46</u>	<u>49</u>	<u>3</u>	<u>11</u>	<u>11</u>	<u>-0-</u>
Percentage Error			<u>6.52%</u>			<u>0.00%</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2014

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	2,118	2,120	(2)	25	25	
Regular - Special Education	736	736		25	25	
Transported - Non Public	137	138	(1)	14	14	
AIL - Non Public	130	130		12	12	
Special Needs - Public	9	9		2	2	
Special Needs - Private	39	39		5	5	
Totals	<u>3,169</u>	<u>3,172</u>	<u>(3)</u>	<u>83</u>	<u>83</u>	<u>-0-</u>
Percentage Error			<u>-0.09%</u>			<u>0.00%</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2015

**EXCESS SURPLUS CALCULATION**

**Section 1 - REGULAR DISTRICT**

2014-15 Total General Fund Expenditures per the CAFR	<u>\$ 87,568,408</u> (B)	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ 1,191,654</u> (B1a)	
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ 1,200,300</u> (B1b)	
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 7,659,228</u> (B2a)	
Assets Acquired Under Capital Leases	<u>\$ 163,226</u> (B2b)	
Adjusted 14-15 General Fund Expenditures [(B) + (B1's) - (B2's)]	<u>\$ 82,137,908</u> (B3)	
2% of Adjusted 2014-15 General Fund Expenditures [(B3) times .02]	<u>\$ 1,642,758</u> (B4)	
Enter Greater or (B4) or \$250,000	<u>\$ 1,642,758</u> (B5)	
Increased by: Allowable Adjustment	<u>\$ 162,378</u> (K)	
Maximum Unassigned Fund Balance [(B5) + (K)]		<u>\$ 1,805,136</u> (M)

**Section 2**

Total General Fund - Fund Balances @ 6/30/15 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 5,601,905</u> (C)	
Decreased by:		
Year - End Encumbrances	<u>\$ 694,142</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)	
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C3)	
Other Restricted Fund Balances	<u>\$ 1,620,615</u> (C4)	
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 794,774</u> (C5)	
Total Unassigned Fund Balance [(C) - (C1) - (C2) - (C3) - (C4) - (C5)]		<u>\$ 2,492,374</u> (U1)

**RANDOLPH TOWNSHIP SCHOOL DISTRICT**  
**EXCESS SURPLUS CALCULATION**  
**FISCAL YEAR ENDED JUNE 30, 2015**  
(Continued)

**EXCESS SURPLUS CALCULATION**

**Section 3**

Restricted Fund Balance - Excess Surplus [(U1 - (M)) IF NEGATIVE, ENTER \$ - 0 -	<u>\$ 687,238 (E)</u>
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**Recapitulation of Excess Surplus as of June 30, 2015**

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$ -0- (C3)
Restricted Excess Surplus [(E)]	<u>\$ 687,238 (E)</u>
 Total [(C3) + (E)]	 <u>\$ 687,238 (D)</u>

**Detail of Allowable Adjustments**

Impact Aid	\$ -0- (H)
Sale and Lease-Back	<u>\$ -0- (I)</u>
Extraordinary Aid	<u>\$ 127,523 (J1)</u>
Additional Nonpublic School Transportation Aid	<u>\$ 34,855 (J1)</u>
 Total Adjustments [(H) + (I) + (J1) + (J2)]	 <u>\$ 162,378 (K)</u>

**Detail of Other Restricted Fund Balance**

Statutory Restrictions:	
Approved Unspent Separate Proposal	\$ -0-
Sale/Lease-Back Reserve	<u>\$ -0-</u>
Capital Reserve	<u>\$ 1,270,615</u>
Maintenance Reserve	<u>\$ -0-</u>
Emergency Reserve	<u>\$ 350,000</u>
Tuition Reserve	<u>\$ -0-</u>
Other State/Governmental Mandated Reserve	<u>\$ -0-</u>
Other Restricted Fund Balance not Noted Above	<u>\$ -0-</u>
 Total Other Restricted Fund Balance	 <u>\$ 1,620,615 (C4)</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT  
SUMMARY OF RECOMMENDATIONS  
FISCAL YEAR ENDED JUNE 30, 2015

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Program

None

4. School Food Service

None

5. Student Body Activities

Receipts be consistently deposited within 48 hours.

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Other

None

10. Status of Prior Year's Findings/Recommendations

The prior year recommendations were resolved in the current year.